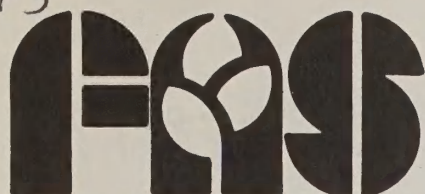


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78/0620

REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250
WR 41-82

WASHINGTON, Oct. 14--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The CANADIAN Wheat Board recently announced a 7.6 million-ton wheat and barley sale to the USSR. This is the first announced sale under the second year of the Canadian-Soviet grain agreement. The agreement commits the Soviets to a minimum 4 million-ton purchase the first year--August-July 1981/82--with a half a million-ton increase stipulated each consecutive year, providing a minimum total of 25 million tons of grain to the Soviets over a 5-year period. Last year, Canadian sales to the Soviets totaled 6 million tons at this point in the season, and by the end of the Canadian marketing year, total wheat and barley exports to the Soviets reached a record of 7.8 million tons. About two-thirds of this total was wheat.

With the recently announced sale, the Canadian Wheat Board also indicated that August-July 1982/83 wheat and barley exports to the Soviets were likely to exceed last season's total--implying additional Soviet buying later in the season. The split between wheat and barley in the current sale is not known; however, the bulk of the 7.6 million tons likely represents wheat purchases. Part of the sale was made with short-term Canadian government guaranteed credit at commercial rates.

The severe drought in AUSTRALIA has prompted the Australian Wheat Board to seek an amendment to its controlling legislation to allow wheat imports if necessary. Current wheat availabilities are severely reduced, while demand for grain for feed is building. Reports indicate that feed grain supplies are virtually exhausted. The government's emergency 50 percent subsidy on wheat fed has made wheat the cheapest and most readily available grain for stock feed. Some industry authorities have suggested that the wheat should be reserved for export and that Australia should import feed grains instead. However, plant quarantine authorities are reluctant to permit imports of feed grains for direct feeding.

Generally, there appears to be enough wheat available for domestic needs and for minimal export commitments. However, the Australian Wheat Board may use the option of importing wheat to supply some of the domestic market, freeing up additional domestic production for export. In addition, the Wheat Board faces a difficult decision concerning the quantity of wheat to be held through the winter to meet possible feed demand should the drought continue. The Board would not want to hold back too much wheat if it can be sold profitably on the world market.

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AUSTRALIA's 1982 hop crop is estimated to be 2,450 tons, 6 percent above the previous year, according to the agricultural counselor in Canberra. Estimated area for 1982 was 1,224 hectares, 5 percent above last year's level. Yields in Victoria had been expected to be above those of the hail-damaged 1981 crop. However, unusually hot and dry weather during the growing season in both Victoria and Tasmania allowed only marginal yield improvement. The states of Tasmania and Victoria produce all of Australia's hops, with Tasmania accounting for about two-thirds of the crop.

WORLD 1982/83 total grain production is forecast at 1.632 billion tons, down fractionally from both the September 10 estimate and the record 1981/82 crop. Wheat production prospects improved only to be offset by reductions in coarse grain and rice estimates.

World wheat production is now forecast at 453.0 million tons, up 4 million tons from last month's estimate but virtually unchanged from the record 1981/82 crop. Since September, increased estimates for Canada, Argentina, Turkey and several European countries more than offset a further reduction in Australian prospects.

The world coarse grain crop is forecast at 776.4 million tons, off 3 million from a month ago. Continued dry weather in Mexico and Australia and smaller prospective plantings in Argentina explain most of the reduction. Crop outlooks improved slightly in Eastern and Western Europe.

World rice production for 1982/83 is forecast at 402.7 million tons (rough basis), down marginally from the September 10 estimate and 2 percent lower than the 1981/82 estimate. In India, the estimate was lowered by 3.0 million tons due to the early departure of the monsoon from the northwestern region and its negative impact on upland rice yields, and because of crop damage caused by severe flooding in some of the eastern producing states. Production estimates were also adjusted downward in Thailand, Japan and Nepal. The South Korean estimate was raised by over 800,000 tons due to an increase in expected yields resulting from the timely and abundant rains received during late July and August. In Indonesia, the production estimate was raised by almost 1 million tons due to an improved outlook for the dry-season rice crop.

OILSEEDS AND PRODUCTS

YUGOSLAVIA's 1982 sunflowerseed planted area is down 28 percent from a year ago to 139,000 hectares, according to the agricultural counselor in Belgrade. Fearing repetition of disease problems encountered in 1980 and 1981, producers reduced area. According to field reports, this fear was justified as phomopsis (a fungi disease) has again adversely affected the sunflower crop, especially on private farms in Vojvodina. Because of the sharp reduction in planted area, this year's sunflowerseed harvest is estimated at 250,000 tons, compared with 327,000 tons in 1981. USDA's September estimate for the 1982 crop stood at 290,000 tons.

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ARGENTINA's 1982/83 flaxseed crop is estimated at 700,000 tons, an increase of nearly 17 percent from last year's level, according to the U.S. agricultural counselor in Buenos Aires. Plantings, which are now virtually completed, are up significantly, encouraged by improved moisture conditions.

WORLD oilseed production for 1982/83 is now forecast at 184.0 million tons, down 800,000 tons from last month, but 12.3 million tons above 1981/82. Lower prospects this month for the world soybean crop account for most of the decline.

World soybean production for 1982/83 is estimated at 97.9 million tons, down nearly 700,000 tons from last month. However, the current crop is 13.6 percent above 1981/82 and 4.5 percent above the previous record in 1979/80. Soybean production forecasts were reduced nearly 400,000 tons in the United States and by 200,000 in Mexico. Reduced yields in a number of mid-western states account for the U.S. drop, while Mexico's crop was cut following damage from Hurricane Paul.

World sunflowerseed production is forecast at 16.0 million tons, down 100,000 tons from last month, but 1.7 million above 1981/82. An increase of 300,000 tons for the USSR crop is more than offset by the reduction in the U.S. crop.

DAIRY, LIVESTOCK AND POULTRY

Mohair production in SOUTH AFRICA, TURKEY and the UNITED STATES--the three major producing countries--is expected to be up 8 percent to 18,700 tons during 1982. The expected gain is due largely to a projected 16 percent increase in South Africa, where unusually good pasture conditions are expected to increase average fleece weights by nearly 8 percent. In recent years, South Africa expanded production into new areas and retained many older animals, which may have caused some decline in average quality.

In Turkey, government support programs encouraging Angora goat herd expansion have apparently been successful. A slow but steady expansion in mohair production has taken place each year since 1976.

U.S. mohair production will also be up slightly in 1982, and the average grade of the crop will be better than last year's because of increased kid hair production, which normally sells for twice the price of adult hair. Data are as follows in 1,000 tons:

Mohair Production in Major Producing Countries ^{1/}

Country	1975	1980	1981	1982
United States	4.0	4.1	4.4	4.5
South Africa	3.8	6.1	6.9	8.0
Turkey	5.6	5.9	6.0	6.2
Total	13.4	16.1	17.3	18.7

^{1/} The United States, South Africa and Turkey account for about 90 percent of total world production.

COTTON AND FIBERS

Extremely dry weather from mid-July through mid-September is expected to lower NICARAGUA's cotton output to 280,000 bales--1 percent below the revised 1981/82 forecast of 283,000 bales and 14 percent smaller than the September 1982 estimate of 325,000 bales. The lower production estimate is based on yield reductions in areas where plants were stunted by lack of moisture, or planting was delayed until rains returned in mid-September. Yields on approximately one-third of the total area (91,000 hectares) are expected to drop from the normal average of 3.7 bales per hectare to just below 2.0 bales.

World 1982/83 cotton production is forecast at 66.9 million bales, up 300,000 from last month's estimate, but down 4.2 million from the record 1981/82 crop. Higher expected yields in the Delta states and California raised U.S. production prospects by 400,000 bales. Small changes in the crop outlook in several foreign countries were mostly offsetting.

SUGAR

Halfway through the 1982/83 sugarcane milling season, SOUTH AFRICA's sugar industry is heading for record production of 2.3 million tons, raw value. Generally favorable weather during the growing season and expanded area contributed to the expected record production. The previous record was 2.21 million tons during 1977/78, when 217,000 hectares were harvested, compared with an estimated 261,000 hectares for 1982/83 and 212,600 hectares last year. Cane production this year is nearly 4 percent above the 1977/78 level and just 1 percent above 1981/82. Sugar content this year, at 1 ton of raw sugar per 8.6 tons of cane, is higher than in 1981/82 when 9 tons of cane were required. Also, farmers are cutting the cane at a younger age in order to reduce Eldana borer damage. As a result, more than 64 percent of the planted area this year is expected to be harvested, compared with only 55 percent 2 years ago.

Sugar for export is expected to total nearly 938,000 tons, up 12 percent from the 1981/82 level. Early in 1982, South Africa signed a contract with a U.S. refiner for the supply of 100,000 tons annually during 1982-84. However, the U.S. import quota allows South Africa to ship only 2.3 percent of U.S. total imports, or 64,400 short tons, for the year ending Sept. 30, 1983.

Sugar beet and beet sugar production in the SOVIET UNION during 1982/83 are expected to increase as much as one-third over the poor 1981/82 crop, according to the U.S. agricultural counselor in Moscow. Cool spring weather slowed seeding and encouraged weed growth, but a warm June-July period and timely August rains are expected to result in beet production of 85 million tons from 3.65 million hectares. In 1981/82, bad weather, poor seed, pests and disease damage combined to reduce the crop to a poor 60.6 million tons, from which 6.4 million tons of sugar (raw value) was produced. In 1982/83, raw sugar production from beets is expected to be 8.1 million tons.

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The WORLD honey production estimate for 1982 is 902,000 tons, up 3 percent from the revised 1981 level. Favorable weather and plentiful floral sources resulted in increases in the United States, Canada, Argentina, Brazil, China, and particularly France, where production doubled to 25,000 tons. Drought conditions are expected to reduce production in Australia, Mexico, Italy and Spain, while cool, sunless days in June and July hurt production in the United Kingdom. Drought, difficult over-wintering conditions and disease have held down output in the USSR the past 2 years, but better weather conditions in 1982 are believed to have offset the decline in colony numbers, resulting in an output of 180,000 tons in 1982, unchanged from 1981.

FRUITS AND NUTS

TAIWAN's apple output in 1982 is expected to decline for the third consecutive season to 14,500 tons, down 3 percent, because of damage caused in August by Typhoon Andy. As in previous years, apple scab remains a serious problem. Data are as follows:

Year	Harvested Area (Hectares)	Production (Metric Tons)
1978	1,198	17,543
1979	1,394	21,828
1980	1,521	19,896
1981	1,412	14,934
1982	N.A.	14,500

VEGETABLES

SPAIN's 1982 onion crop of 1.025 million tons is 2 percent below the 1981 crop. Drought during the growing season created a shortage of irrigation water in two of Spain's onion producing areas, an important factor given that 85 percent of the crop is produced under irrigation. Onion area in 1982 was 34,000 hectares, representing an increase of 6 percent from last year's total.

RECENT FOREIGN AGRICULTURE CIRCULARS

Export Markets For U.S. Grain and Feed Commodities, FG 30-82
Horticultural Products Review, FHORT 4-82
Reference Tables on Rice Supply-Utilization for Individual Countries, FG 22-82

TO ORDER, CONTACT: U.S. Department of Agriculture, FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

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Selected International Prices

Item	October 12, 1982		Change from	A year
			previous week	ago
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat				
Canadian No. 1 CWRS-13.5%.	197.50	5.38	+6.50	N.Q.
U.S. No. 2 DNS/NS: 14%....	172.00	4.68	+4.00	193.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	N.Q.	.--	199.00
U.S. No. 2 S.R.W.....	130.00	3.54	+1.00	186.00
U.S. No. 3 H.A.D.....	168.00	4.57	+2.00	195.00
Canadian No. 1 A: Durum...	N.Q.	N.Q.	.--	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	106.50	2.70	+5.50	130.50
U.S. No. 2 Sorghum 2/.....	N.Q.	N.Q.	.--	145.00
Feed Barley 3/.....	N.Q.	N.Q.	.--	148.00
Soybeans:				
U.S. No. 2 Yellow.....	210.00	5.72	+5.20	261.50
Brazil 47/48% SoyaPellets 4/	194.00	--	+6.00	N.Q.
U.S. 44% Soybean Meal.....	187.00	--	+9.00	234.00
U.S. FARM PRICES 5/				
Wheat.....	122.36	3.33	+1.10	136.32
Barley.....	61.09	1.33	-4.13	86.81
Corn.....	79.13	2.01	-.39	97.63
Sorghum.....	80.47	3.65 6/	-1.54	88.62
Broilers 7/.....	885.15	--	-44.31	946.21
EC IMPORT LEVIES				
Wheat 8/.....	113.01	3.08	-3.06	78.15
Barley.....	100.90	2.20	-1.43	85.55
Corn.....	107.31	2.73	-3.19	96.10
Sorghum.....	99.40	2.52	-2.49	81.70
Broilers 9/.....	288.00	--	-1.00	251.00
EC INTERVENTION PRICES 10/				
Common wheat(feed quality)	173.95	4.74	174.55	184.00
Bread wheat.....	192.30	5.23	192.90	213.80
Barley and all				
other feed grains.....	173.95	3.79	174.55	184.00
Broilers 11/.....	1,125.00	--	N.Q.	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	74.75	2.03	+3.10	57.95
Wheat flour.....	93.76	--	0	71.82
Barley.....	65.40	1.43	+3.05	37.90
Broilers 9/.....	194.00	--	-1.00	146.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70% whole chicken. 10/ Basically the intervention price is the EC farm price support, determined annually. 11/ Ex-plant price in West Germany for frozen whole chicken. N.Q.=Not quoted.

Note: Basis October delivery except for Canadian No.1 CWRS-13.5 %, which is November delivery.

FOREIGN AGRICULTURE CIRCULARS

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